

Message Text

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PAGE 01 QUITO 01679 311606 Z

43

ACTION IO-13

INFO OCT-01 ARA-11 ADP-00 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14

USIA-12 OIC-04 EUR-25 EB-11 COME-00 TRSE-00 AID-20

OPIC-12 CIEP-02 STR-08 XMB-07 AGR-20 RSR-01 /200 W
----- 075450

R 311320 Z MAR 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 7040

INFO USMISSION USUN NEW YORK

UNCLAS QUITO 1679

E. O. 11652: N/A

TAGS: OCON, ECLA, EC

SUBJECT: ECLA PLENARY SESSION MARCH 28

1. FOLLOWING IS SUMMARY ECLA PLENARY MARCH 28. AMBASSADOR ZAGORIN'S SPEECH (SEPTELS) WAS FOLLOWED BY GERMANY (LEBSANFT). LATTER ENDORSED BALANCED DEVELOPMENT WITH EMPHASIS AND GROWTH AND HUMAN DEVELOPMENT. HE REVIEWED GERMAN BILATERAL AND MULTILATERAL AID AND GROWTH IN TRADE WITH LA. HE PRONOUNCED RESULT OF GENERALIZED PREFERENCES AS SHOW OF CONSIDERABLE PROGRESS. HE FAVORED COMMODITY AGREEMENTS THAT WOULD SATISFY THE MARKET AND INCREASE EXPORT EARNINGS BUT URGED EXPORT DIVERSIFICATION AS LONG-TERM ANSWER TO LDC COMMODITY PROBLEMS.

2. NETHERLANDS (CROES) COMMENTED ON SECRETARIAT APPRAISAL OF DEVELOPMENT PERFORMANCE, APPROVING ITS EMPHASIS ON HUMAN DEVELOPMENT AND QUESTIONING ACCURACY OF STATISTICS USED. HE SAID THAT THE LATIN APPRAISAL DOCUMENT SHOULD BE REGARDED AS NO MORE AND NO LESS THAN THE CONSIDERED VIEW OF CERTAIN EXPERTS.

3. UN/ OTC COMMISSIONER (FARAH) NOTED A GROWING AWARENESS OF NEED FOR INTEGRATED, SPATIAL DEVELOPMENT PLANNING AIMED AT BETTER DISTRIBUTION OF INCOME REGIONALLY AND SOCIALLY. HE OFFERED UN TECHNICAL SUPPORT FOR SUCH PLANNED DEVELOPMENT. HE PLEDGED OTC
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PAGE 02 QUITO 01679 311606 Z

TO IMPROVEMENTS IN ITS RECRUITING PROCEDURES AND IN DELIVERY OF GOODS FOR ITS PROJECTS. HE REVIEWED REGIONAL AND COUNTRY PROJECTS UNDERTAKEN.

4. IBRD (ESCOBAR) GAVE REVIEW OF ECONOMIC PROGRESS AND GROWTH IN REGION AND GAVE RESUME OF IBRD ACTIVITIES. SAID HE REASONABLY OPTIMISTIC ABOUT LA PROGRESS TOWARD GOALS BUT PROGRESS UNEVEN AMONG COUNTRIES. URGED TRANSFORMATION OF INDUSTRIAL ORIENTATION FROM IMPORT SUBSTITUTION TO EXPORT AND PLEDGED IBRD SUPPORT TO COUNTRIES WILLING TO CHANGE INDUSTRIAL DEVELOPMENT EMPHASIS. CITING INCREASED DEBT SERVICE RATIO AS FACTOR IN LA REQUIREMENT FOR CONTINUING LARGE OFFICIAL DEVELOPMENT ASSISTANCE, HE URGED DC' S TO MAKE EXTRA EFFORT TO MEET RESOURCE TRANSFER TARGET OF 1 PERCENT OF GNP. IN INITIAL REMARKS HE EMPHASIZED AT SOME LENGTH IBRD NOT REALLY OPPOSED TO SUPPLEMENTARY FINANCING AS STATED IN LATIN AMERICAN EXPERTS PAPER.

5. MEXICO (MENDOZA) SPOKE PRINCIPALLY TO COMPLAIN OF SECRETARIAT' S UNDERSTATING OF MEXICO' S GROWTH RATE WHICH HE PUT AT 7.5 PERCENT IN 1972. WENT ON TO OUTLINE MEXICO' S DEVELOPMENT EFFORTS AND PROGRESS.

6. PERU (MARCO DEL PONT) COMMENTED BRIEFLY IN PRAISE OF LATIN APPRAISAL DOCUMENT.

7. OECD DAC CHAIRMAN (AMBASSADOR MARTIN) GAVE WELL- REASONED ADVISE TO ECLA ON ITS REVIEW AND APPRAISAL OPERATION. URGED ECLA TO AIM FOR A SHORT, SHARPLY FOCUSED DOCUMENT EXAMINING SUCCESSES AND FAILURES, ADJUSTING STRATEGY GOALS AND PITCHED TOWARD WORLD PUBLIC OPINION. CALLED FOR CANDOR AND SAID AVERAGING REGIONS' S GROWTH RATES, AND SO MASKING FAILURE OF POOR PERFORMERS, IS TO TELL A LIE. SIMILARLY, FOCUS ON IMPROVEMENTS IN SOCIAL SERVICES WITHOUT MENTIONING PLACES WHERE THESE DETERIORATING IS TO PERPETUATE A LIE.

8. SAID RETHINKING OF DEVELOPMENT GOALS SHOULD STIMULATE WIDE PUBLIC DEBATE AND ATTENTION AND IF IT DOESN' T, WHY NOT? HE SUGGESTED IT IS BECAUSE DC' S ASSIGN DEVELOPMENT LOW PRIORITY AND LDC' S DISTRACT THEMSELVES WITH PRESTIGE EFFORTS AND EMOTIONAL ISSUES. ALL ARE AFFECTED BY TOO STRONG NATIONALISM, WHICH PERSISTS AS MAJOR ANACHRONISM OF MODERN WORLD. EXPRESSED HOPE THAT TIME WOULD REFLECT

STEADY DIMINISHING OF THIS EXCESS.

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PAGE 03 QUITO 01679 311606 Z

9. HE URGED THAT STRATEGY BE MADE MORE HONEST BY ELIMINATING GOALS THAT ARE "FRAUDS ON PUBLIC" OF DC'S AND LDC'S. SUCH ACT WOULD ALSO HELP STRENGTHEN UN'S WANING MORAL AUTHORITY FOR WORLD PUBLIC. SUGGESTED FOUR SUBJECTS FOR ATTENTION IN STRATEGY: (A) THE PLACE OF PREFERENTIAL BLOCS, ESPECIALLY THOSE COMPOSED OF DC'S AND DEPENDENT LDC'S; (B) NEEDED EMPHASIS ON SOCIAL JUSTICE, WHICH HAS PROVED EASIER TO ASSERT THAN TO IMPLEMENT; (C) POSSIBILITY OF INCREASING ASSISTANCE AMONG THE DEVELOPING COUNTRIES; (D) NEED FOR ANY CONSUMPTION RESTRAINTS IMPOSED FOR ENVIRONMENTAL REASONS TO BE APPLIED FIRST AND MOSTLY TO DC'S.

10 CANADA (FREIFELD) SPOKE ON FACTORS CONDITIONING CANADIAN ATTITUDES, E. G. ITS LARGE FOREIGN PRIVATE INVESTMENT EXCEEDING AMOUNT IN ALL LA AND ITS POSITION AS MAJOR TRADING NATION WITH BIG STAKE IN MULTILATERAL TRADING SYSTEM.

11. OBSERVERS FROM SEVERAL ORGANIZATIONS (UNIDO, FAO, EEC, LAFTA) MADE PREPARED SPEECHES.
BURNS

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973QUITO01679
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730342/aaaaimkq.tel
Line Count: 140
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 07 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Nov-2001 by elbezefj>; APPROVED <04 MAR 2002 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980109
Subject: ECLA PLENARY SESSION MARCH 28
TAGS: OCON, EC, ECLA
To: IO
SECSTATE WASHDC INFO USUN NEW YORK
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005